

THE OFFICE OF EFFICIENCY REVIEW BEST PRACTICES & GUIDELINES FOR IMPLEMENTATION

Virtual Office

Name of Agency & Director

Arizona Health Care Cost Containment System (AHCCCS), Director Anthony D. Rodgers

Background and Summary of Best Practice

AHCCCS, like most State agencies, continues to face challenges of many employees reaching the age of retirement, high absenteeism and turnover rates, and low compensation. The implementation of Virtual Office minimizes these challenges. *Virtual Office (VO)* is defined as a fully functional worksite, connecting employees to the work process in the most advantageous setting, rather than employees coming to a central office to work.

Savings and Benefits

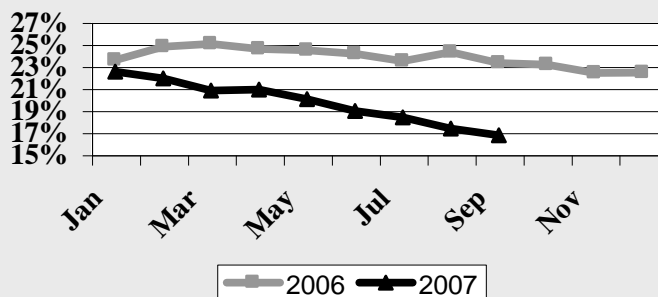
Benefits to the State include increases in productivity and reductions in costly turnover, absenteeism, and space eliminated. While VO provides employees with flexibility and decreased costs associated with gas, work attire, and after school care, it also benefits the State. As a result of VO implementation, AHCCCS has experienced reduction in turnover of 5% and increases in productivity of up to 47% and has also realized other savings and benefits:

AHCCCS Fiscal Year (FY) 2007 Savings

<i>Retention (5%)/Productivity (10%) – Soft</i>	<i>\$393,444</i>
<i>Space (Elimination of 1 Lease)</i>	<i>\$100,000</i>
<i>Thin Clients (\$300 Each)</i>	<i>(\$34,800)</i>
<i>Cisco 831 Router (\$535 Each)</i>	<i>(\$62,098)</i>
<i>Stipend (\$915/Person)</i>	<i>(\$73,200)</i>
Total FY07 Savings/Cost Avoidances	\$323,345

**AHCCCS expects to save and additional
\$931,585 by the end of FY 2008.**

AHCCCS Turnover - FY 2006 & 2007



How to Implement this Effort in Your Agency

The Governor's Office of Efficiency Review has worked with AHCCCS, ADOA, and ADES to create a Virtual Office Toolkit for agencies to use in implementing VO. If your agency is interested in implementing VO, the following steps are recommended:

- Create a VO Steering Committee comprised of motivated executive level managers from the areas of IT, HR, and Operations. The committee can review the VO Toolkit provided on the Internet at www.teleworkarizona.com and will be responsible for all aspects of VO, including:
 - a. Identifying areas within the agency to go virtual,
 - b. Ensuring implementation and ongoing issues run smoothly, and
 - c. Working with managers to track all measurements of success.

A Few Frequently Asked Questions:

Question #1: How do I know that my technology will allow employees to work virtually?

Answer #1: Minimum standards for Internet connectivity and equipment are needed to allow employees to work virtually. The VO Toolkit will help agencies identify these technology gaps so they are aware of what their needs may be.

Question #2: How do I know if my employees are really working at home?

Answer #2: Supervisors discover they are better able to monitor the work of VO employees due to focusing on the work product instead of work activity. Many supervisors already use this method of management by results.

Contacts Who are Available to Provide Assistance

Diane Shook, AHCCCS HR Director
(602) 417-4457
diane.shook@azahcccs.gov

Kayelen Rolfe, ADOA Travel Reduction Mgr.
(602) 542-3638
kayelen.rolfe@azdoa.gov

Melissa Brickey, ER Deputy Director
(602) 542-7564
mbrickey@az.gov

To propose one of your Best Practices please contact Melissa Brickey at mbrickey@az.gov or (602) 542-7564